

105TH CONGRESS  
1ST SESSION

# S. 199

To require industry cost-sharing for the construction of certain new federally funded research facilities, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 22, 1997

Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

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## A BILL

To require industry cost-sharing for the construction of certain new federally funded research facilities, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Federal Research  
5       Financing Improvement Act of 1997”.

6       **SEC. 2. DEFINITIONS.**

7       For the purposes of this Act, the following definition  
8       shall apply:

9               (1) **BENEFICIARY INDUSTRY.**—The term “bene-  
10       ficiary industry” means an industry with respect to

1       which a covered research activity is intended to con-  
2       tribute directly to the commercial success, advance-  
3       ment, or competitiveness of the industry.

4               (2) CONSTRUCTION.—With respect to the con-  
5       struction of a new Federal research facility, the term  
6       “construction” means the supervising, inspecting,  
7       and actual building of the facility, and all expenses  
8       incidental to those activities.

9               (3) COOPERATIVE AGREEMENT.—The term “co-  
10      operative agreement” means a cooperative agree-  
11      ment between the Federal Government and rep-  
12      resentatives of a beneficiary industry entered into  
13      under section 3(a).

14              (4) COVERED RESEARCH ACTIVITY.—The term  
15      “covered research activity” means a research activity  
16      conducted by a Federal research facility that is in-  
17      tended to contribute directly to the commercial suc-  
18      cess, advancement, or competitiveness of one or  
19      more beneficiary industries, including—

20                      (A) theoretical analysis, experimentation,  
21                      or the systematic study of phenomena or ob-  
22                      servable facts;

23                      (B) the development or testing of basic en-  
24                      gineering techniques; and

1 (C) the extension of investigative findings  
2 or theory of a scientific or technical nature into  
3 practical application for experimental and dem-  
4 onstration purposes, including the experimental  
5 production and testing of models, prototypes,  
6 equipment, materials, and processes.

7 (5) FEDERAL AGENCY.—The term “Federal  
8 agency” means any Executive agency, as defined in  
9 section 105 of title 5, United States Code, the mili-  
10 tary departments, as defined in section 102 of such  
11 title, and any agency of the legislative branch of the  
12 Federal Government.

13 (6) FEDERAL RESEARCH FACILITY.—The term  
14 “Federal research facility”—

15 (A) means any federally funded research  
16 and development center that is operated by the  
17 Federal Government or by a contractor;

18 (B) includes any laboratory covered under  
19 section 12 of the Stevenson-Wydler Technology  
20 Innovation Act of 1980 (15 U.S.C. 3710a); and

21 (C) does not include—

22 (i) any federally funded facility with  
23 respect to which the primary mission is to  
24 assist industrial concerns in complying  
25 with Federal law;

1 (ii) any federally funded facility that  
 2 conducts research activities that the Presi-  
 3 dent determines to be of paramount inter-  
 4 est to the United States for reasons of na-  
 5 tional security; and

6 (iii) any facility covered by Executive  
 7 Order No. 12344, dated February 1, 1982,  
 8 pertaining to the naval nuclear propulsion  
 9 program.

10 (7) INDUSTRY.—The term “industry” means  
 11 any domestic industry—

12 (A) identified by the Secretary of Labor in  
 13 the Standard Industrial Classification Code is-  
 14 sued by the Secretary of Labor; or

15 (B) identified as a domestic industry by  
 16 the head of a Federal agency.

17 (8) NEW FEDERAL RESEARCH FACILITY.—

18 (A) IN GENERAL.—The term “new Federal  
 19 research facility” means a Federal research fa-  
 20 cility the construction of which commences after  
 21 the date of enactment of this Act.

22 (B) SIGNIFICANT EXPANSION IN-  
 23 CLUDED.—The term “new Federal research fa-  
 24 cility” includes any significant expansion of a

1 Federal research facility that commences after  
2 the date of enactment of this Act.

3 **SEC. 3. COOPERATIVE AGREEMENTS.**

4 (a) FEDERAL RESEARCH FACILITIES.—Notwith-  
5 standing any other provision of law, no new Federal re-  
6 search facility may be constructed to carry out a covered  
7 research activity unless the head of the Federal agency  
8 with jurisdiction over the new Federal research facility en-  
9 ters into a cooperative agreement with appropriate rep-  
10 resentatives of each beneficiary industry to be served by  
11 the covered research activity to—

12 (1) carry out the construction of the new Fed-  
13 eral research facility; and

14 (2) conduct a covered activity at that facility.

15 (b) REQUIREMENTS FOR COOPERATIVE AGREE-  
16 MENTS.—

17 (1) IN GENERAL.—Each cooperative agreement  
18 entered into under subsection (a) shall—

19 (A) specify that the beneficiary industries  
20 that are parties to the cooperative agreement  
21 shall pay not less than 50 percent of the cost  
22 of the construction, operation, and maintenance  
23 of the new Federal research facility that is the  
24 subject of the cooperative agreement;

1 (B) specify the percentage amount that  
2 each beneficiary industry referred to in sub-  
3 paragraph (A) is required to pay to cover the  
4 costs under such subparagraph;

5 (C) specify that the agency head may enter  
6 into such contracts with, and award such  
7 grants to representatives of the beneficiary in-  
8 dustries, as are necessary to carry out the coop-  
9 erative agreement;

10 (D) provide for—

11 (i) the sharing, among beneficiary in-  
12 dustries, of certain intellectual property ob-  
13 tained from covered research activities con-  
14 ducted at the new Federal research facil-  
15 ity; and

16 (ii) the protection of certain intellec-  
17 tual property of the beneficiary industry  
18 used by the Federal Government in carry-  
19 ing out the covered research activities; and

20 (E) specify the conditions under which,  
21 and the procedures pursuant to which, the Fed-  
22 eral Government may terminate the construc-  
23 tion of the new Federal research facility or the  
24 covered research activity.

1           (2) PERCENTAGE AMOUNT.—The percentage  
 2           amount that a beneficiary industry shall be required  
 3           to pay under paragraph (1)(B) shall be determined  
 4           by the head of the Federal agency in accordance  
 5           with a formula developed by the agency head to pro-  
 6           vide for contributions from all beneficiary industries  
 7           served by the new Federal research facility.

8           (c) REGULATIONS.—The head of each Federal agency  
 9           shall promulgate such regulations as may be necessary to  
 10          carry out this section, including regulations concerning—

11           (1) monitoring the execution of cooperative  
 12          agreements entered into under subsection (a);

13           (2) the establishment of procedures regarding  
 14          financial reporting and auditing to ensure that any  
 15          contract entered into under this section or grant  
 16          award made pursuant to this section is used only for  
 17          the purposes specified in the applicable cooperative  
 18          agreement entered into under subsection (a); and

19           (3) the appropriate dissemination of the results  
 20          of research conducted pursuant to a cooperative  
 21          agreement entered into under subsection (a).

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